

ASSEMBLY BILL

No. 1527

Introduced by Assembly Member Liu

February 22, 2005

An act to add Sections 760.2 and 955 to the Financial Code, relating to banks.

LEGISLATIVE COUNSEL'S DIGEST

AB 1527, as introduced, Liu. Bank accounts.

Existing law provides for the regulation of banks by the Department of Financial Institutions.

This bill would prohibit a bank from using a bank account number previously held by a different customer until 5 years have passed since that account number was closed. The bill would also require a bank to verify certain information before authorizing a payment or purchase from one of the bank's checking accounts through an Internet transaction.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 760.2 is added to the Financial Code, to
- 2 read:
- 3 760.2. A bank shall not use a bank account number previously
- 4 held by a different customer until five years have passed since
- 5 that account number was closed.
- 6 SEC. 2. Section 955 is added to the Financial Code, to read:
- 7 955. Before authorizing a payment or purchase from a
- 8 checking account through an Internet transaction, a bank shall

- 1 first verify that the person making the payment or purchase is the
- 2 holder of the checking account. A bank may require a person to
- 3 include the following information when making an Internet
- 4 transaction for the purposes of making the verification required
- 5 by this section:
- 6 (a) A personal identification number.
- 7 (b) The last four numbers of the person's social security
- 8 number.
- 9 (c) The maiden name of the person's mother